

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

ADAM PEYKAR, *et al.*,

Plaintiffs,

v.

MERCEDES-BENZ USA, LLC, *et al.*,

Defendants.

Case No. 2:24-cv-03313-FLA (AJRx)

**ORDER TO SHOW CAUSE WHY
ACTION SHOULD NOT BE
REMANDED FOR LACK OF
SUBJECT MATTER JURISDICTION**

1 Federal courts are courts of “limited jurisdiction,” possessing only “power
 2 authorized by the Constitution and statute[.]” *Kokkonen v. Guardian Life Ins. Co. of*
 3 *Am.*, 511 U.S. 375, 377 (1994); U.S. Const. art. III, § 2, cl. 1. Courts are presumed to
 4 lack jurisdiction unless the contrary appears affirmatively from the record. *See*
 5 *DaimlerChrysler Corp. v. Cuno*, 547 U.S. 332, 342 n. 3 (2006). Additionally, federal
 6 courts have an obligation to examine jurisdiction *sua sponte* before proceeding to the
 7 merits of a case. *See Ruhrgas AG v. Marathon Oil Co.*, 526 U.S. 574, 583 (1999).

8 Federal courts have jurisdiction where an action arises under federal law or
 9 where each plaintiff’s citizenship is diverse from each defendant’s citizenship and the
 10 amount in controversy exceeds \$75,000, exclusive of interest and costs. 28 U.S.C.
 11 §§ 1331, 1332(a). Thus, a notice removing an action from state court to federal court
 12 must include “a plausible allegation that the amount in controversy exceeds the
 13 jurisdictional threshold.” *Dart Cherokee Basin Operating Co., LLC v. Owens*, 574
 14 U.S. 81, 89 (2014). Where “the plaintiff contests, or the court questions, the
 15 defendant’s allegation” concerning the amount in controversy, “both sides [shall]
 16 submit proof,” and the court may then decide whether the defendant has proven the
 17 amount in controversy “by a preponderance of the evidence.” *Id.* at 88–89. “Federal
 18 jurisdiction must be rejected if there is any doubt as to the right of removal in the first
 19 instance.” *Gaus v. Miles, Inc.*, 980 F.2d 564, 566 (9th Cir. 1992).

20 The court has reviewed the Notice of Removal and is presently unable to
 21 conclude it has subject matter jurisdiction under 28 U.S.C. § 1332(a). In particular,
 22 and without limitation, the court finds that the allegations in the Notice of Removal do
 23 not demonstrate by a preponderance of the evidence that the amount in controversy
 24 exceeds \$75,000 or that complete diversity exists.

25 The parties are ORDERED TO SHOW CAUSE, in writing only, within
 26 fourteen (14) days from the date of this Order, why this action should not be remanded
 27 for lack of subject matter jurisdiction because the amount in controversy does not
 28 exceed the jurisdictional threshold and complete diversity does not exist. The parties

1 are encouraged to submit evidence and/or judicially noticeable facts in response to the
2 court's Order. Responses shall be limited to ten (10) pages in length. The parties
3 should consider this Order to be a two-pronged inquiry into the facial and factual
4 sufficiency of Defendant's demonstration of jurisdiction. *See Leite v. Crane Co.*, 749
5 F.3d 1117, 1122 (9th Cir. 2014).

6 As Defendant Mercedes-Benz USA, LLC is the party asserting federal
7 jurisdiction, its failure to respond timely and adequately to this Order shall result in
8 remand of the action without further notice.

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10 IT IS SO ORDERED.
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12 Dated: June 18, 2024

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15 FERNANDO L. AENLLE-ROCHA
United States District Judge
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